



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
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M/027/007

June 28, 2000

TO: The Board of Oil, Gas and Mining

THRU: Lowell P. Braxton, Director *LMP*

FROM: Mary Ann Wright, Associate Director, Mining *M. Ann Wright*

RE: Request for Emergency Expenditure of Fines and Forfeiture Funds for Reclamation, Jumbo Mining Company, Drum Mine, M/027/007, Millard County, Utah

Pursuant to 40-10-25.1. (2)(c) *Abandoned Mine Reclamation Fund*, monies deposited into an account may be expended at any time by the Division for purposes of the abandoned mine reclamation program. This request however, is for the emergency expenditure of monies from this fund since the Division was unable to predict this need one year ago in the state budget and appropriation process. The statute at subpart 3(d) then calls for the Director to have the concurrence of the Board to expend funds on an emergency basis. Please refer to the attached statute.

Work is currently proceeding on the Drum Mine in the West Desert. As part of the Settlement and Reclamation Agreement (between and among Western States Minerals Corporation, BLM, DOGM, and DEQ-DWQ) to reclaim this site, the Division agreed to fund closure of abandoned mine portals at the site. In this manner, closure work could be completed concurrent with other reclamation while equipment was at hand in order to safeguard these mine features on the public domain.

Further discussion on the need for the use of these funds is explained in the enclosed memo, dated May 17, 2000, from Doug Jensen to Wayne Hedberg, and the Agreement referenced above. Your consideration of this request is appreciated.

Approved:

Lowell P. Braxton

Lowell P. Braxton, Director
Division of Oil, Gas and Mining

6/28/00

Date

Dave D. Lauriski

Dave D. Lauriski, Chairman
Board of Oil, Gas and Mining

6/28/00

Date

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40-10-25.1. Abandoned Mine Reclamation Fund created -- Contents -- Use of monies.

(1) (a) There is created an expendable trust fund known as the Abandoned Mine Reclamation Fund.

(b) (i) The fund shall consist of the monies specified in Subsections (2) and (3).

(ii) The monies of Subsection (2) shall be segregated from the monies of Subsection (3).

(2) (a) Monies received by the state from the following sources shall be deposited into the Abandoned Mine Reclamation Fund:

(i) recovered liens filed against privately-owned land as provided by Section 40-10-28;

(ii) fees for the use of reclaimed lands as provided by Section 40-10-28;

(iii) fines collected for violations of this chapter or any rule or order issued under this chapter;

(iv) donations designated for reclamation of abandoned mines; and

(v) interest credited to the fund pursuant to Subsection (b).

(b) Monies received under Subsection (a) shall be invested by the state treasurer and the income earned shall be credited to the Abandoned Mine Reclamation Fund, except interest income earned over \$9,500 per year shall be credited to the General Fund.

(c) The division may at any time expend monies deposited into the fund under Subsection (2)(a) to accomplish the purposes of the abandoned mine reclamation program.

(3) (a) (i) Monies received by the state from the secretary of the United States Department of Interior, which are granted as special state set-aside monies in accordance with 30 U.S.C. Sec. 1232 et seq. shall be deposited in the Abandoned Mine Reclamation Fund.

(ii) Monies deposited into the fund under Subsection (3)(a)(i) shall be invested by the state treasurer and the income earned shall be credited to the Abandoned Mine Reclamation Fund.

(b) After August 3, 1992, the division shall use the monies deposited into the Abandoned Mine Reclamation Fund under Subsection (3) to accomplish the purposes set forth in Sections 40-10-25 through 40-10-28.1.

(c) Except as provided in Subsection (3)(d), the monies deposited into the Abandoned Mine Reclamation Fund under Subsection (3) shall be made available to the division through legislative appropriations.

(d) The director of the division with the concurrence of the board may at any time expend monies deposited into the Abandoned Mine Reclamation Fund under Subsection (3)(a) for any emergency requiring immediate reclamation.

as enacted by Chapter 225, Laws of Utah 1991



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May 17, 2000

TO: Wayne Hedberg, Permit Supervisor

FROM: Doug Jensen, Reclamation Specialist *D. Jensen*

Subject: Closure of Mine Portals at the Drum Mine, M/027/007, Millard County, Utah

During a site inspection tour of the Drum Mine, four open portals and a glory hole were noted in the bottom of the SW EX Pit. A cursory inspection revealed that the condition of the openings were extremely unstable and posed a hazard to the public.

While this area is remote, 35 miles northwest of Delta, Utah, there are signs that this is a popular recreation area. The roads within the site showed signs of a significant amount of traffic in the recent past. The roads around the open portals in the pit also showed that the public had frequently visited this area.

If the public is utilizing these openings for recreation purposes, fatalities related to the unstable condition of the area is a real possibility. A hazard elimination utilizing AMR funds has been proposed.

Because Western States Minerals will have equipment in this area for the purposes of reclaiming the mine site, they have been approached to utilize that equipment to eliminate these hazards. Presently the closure of these openings are not a part of Western's scope of work. The Division has offered a sum of \$20,000 to Western States to close the portals and reclaim the road that accesses the area.

A backhoe will be used to close the four portals by backfilling them with the material from nearby sources. Because there is no vehicle access at the present time, several trucks and a cat will be used to close the glory hole. Material will be dumped near the hole and the cat will be used to make a ramp to the area. Once the ramp is established, material will be dumped directly into the hole, and the cat will be used to assure that all voids have been filled.

This work will remove this particular hazard from an area that is presently being used by the public for recreation purposes.

jb
cc: Mary Ann Wright, DOGM
Carl Roberts, DOGM